

So if we want to balance our budget, I am one who says, yes, we need more revenue. But that revenue comes not from tax increases but from a growing economy that puts people to work and generates the revenue that then flows to the Federal Treasury to pay down our debt.

It is actually the most enjoyable aspect of how we could balance the budget. The side benefits beyond an improved fiscal house in Washington, DC, is that Americans would have jobs. We help create an environment in which they can put food on their families' tables, in which they can save for their kids' education, and have the opportunity to save for their own retirement.

So today I once again, in the absence of an agreement between the White House and the House and the Senate—as has been indicated, there are ongoing negotiations about this issue of the debt ceiling. But we ought to be looking also at that opportunity to grow the economy, put people to work, creating those opportunities and raising the revenue necessary to fund, in my view, a much smaller government.

So we ought to be promoting a Tax Code that is fair, that is efficient, is not overly bureaucratic, that is certain. We need a regulatory environment in which every businessperson is not fearful of adding employees or investing in the plant and equipment because they do not know what next government regulation is going to come their way.

I spent much time this year as a member of the Senate Banking Committee where we have heard from bankers across the country, particularly our community banks, where the uncertainty of what next happens under Dodd-Frank determines whether it is desirable to make a loan. What next is the examiner going to say? What next are the regulations going to be?

Access to credit for our small business men and women in Kansas, our farmers and ranchers—the ability to borrow money has a significant role to play in whether we have a growing economy that puts people to work. So we certainly need to have that fair and certain Tax Code. We certainly need to make certain the regulatory environment is totally different than what it is today. And we need to make certain there is no doubt about the ability—due to regulations—that a bank can make a loan to a creditworthy borrower.

We also desperately need a policy in place that encourages domestic production of oil and gas, that helps us reduce the cost of energy. I do not know how we have a booming economy if energy prices are going to continue to escalate at the rates they are. The more that cost of gasoline reduces the spending power of American families, the less likely we are going to have any opportunity to see a growing economy.

Certainly, we have challenges in our housing market that need attention,

and it is difficult for many of us to make decisions about spending more money if we do not have the sense of security that comes from knowing there is value in our homes.

Finally, I want to point out—and the issue I want to focus on for a moment because of what appears to be coming from the Obama administration in regard to trade—there is an indication that, once again, the ability for Congress to consider the trade agreements with Colombia, Panama, and South Korea is being delayed. Much of our country's economy—and certainly in my home State of Kansas—is dependent, and many people by the millions work in the United States because of things we manufacture and agricultural commodities we grow that are exported abroad.

The last three trade agreements that have been negotiated have been pending now for a very long time. The consequences of those trade agreements are significant. I certainly know this as a Kansan. We manufacture airplanes and general aviation. We grow lots of agricultural commodities: wheat, cattle, corn. Much of that is exported, and these countries present opportunities for us to grow our economy and put more people to work.

The South Korea Free Trade Agreement, for example, if approved, is estimated to create 70,000 new jobs. It is estimated that it would be an increase in U.S. exports of \$9.7 billion, and our gross domestic product would increase by over \$10 billion. Yet the framework by which we can begin to increase our exports to those three countries is once again stalled.

The White House announced this week those trade agreements will not be presented to Congress before the August recess. In my view, that is a terrible mistake, and it is particularly a problem because, as we speak, other countries are assuming the role of exporting to those countries, assuming the role that the United States has historically played, and we are being left out in the market.

A free-trade agreement just recently took effect between South Korea and the European Union. Colombia and Canada have an agreement that comes into force on August 15. The more time we delay in approving the opportunity for Americans to export to those countries, the more likely it is that the markets are going to be taken by exporters from other countries.

So while we continue to work to see that an agreement is reached in regard to this issue of the debt ceiling, let's not take any steps back in regard to this issue of growing the economy. Let's continue to work in regard to that Tax Code, in regard to that regulatory environment that so hinders the ability of business to expand, in regard to an energy policy that returns those jobs back home and creates greater stability in the price and cost of energy. We also need to make certain we have access to credit.

But, finally, today, let me again ask the administration to reconsider their position, and let's put these trade opportunities—the ability to increase exports—back on the table so Congress can adequately address the terms of those agreements and get them in place before we lose more market opportunity around the globe.

This is not about taking care of big business. This is about making certain that business has the opportunity to sell goods and agricultural commodities to those countries, so that in the process of their business growing they put more and more Kansans and Americans to work.

So we have our agenda, and it is an important one for America. Yes, fiscal sanity has to return, but let's not forget the fourth component of cut, cap, balance, and grow the economy. If we do these things, America will be a better place today. But, more importantly, every American child will have the opportunity to pursue the American dream.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KIRK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KIRK. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SILVER FLEECE AWARD

Mr. KIRK. Mr. President, As we continue to debate our economic future I would like to announce July's Silver Fleece Award winner. This month's most wasteful spending project is another example of the egregious Federal spending habits of this government and demonstrates why exactly we need to enact the Cut, Cap and Balance Act.

The Silver Fleece Award for the month of July goes to a \$64 million stimulus award to provide broadband service to Gallatin County, MT. According to an analysis conducted by Navigant Consulting, 93 percent of the households in the project's proposed service area were already served by five or more broadband providers. The fact that tens of millions of taxpayer dollars were spent to subsidize broadband service in an area with already strong private sector representation is reprehensible. Perhaps even more staggering, though, is the taxpayer cost of these services per unserved household.

According to the program's own definition of "unserved household," this project cost taxpayers more than \$340,000 per unserved household.

However, many of these so-called unserved households have access to 3G

wireless broadband. Not only are 3G speeds approaching or even meeting administration broadband standards, but 3G will soon be replaced with 4G broadband, which will far exceed current standards. Subtracting the number of homes that had existing access to 3G wireless leaves only seven households in the Gallatin County service area unserved by broadband. It cost the U.S. taxpayer an astounding \$7,112,422 per household to provide broadband service to the truly unserved population.

I wish I could say this project is the exception, but I cannot. This funding was provided through the stimulus' \$3.5 billion Rural Utility Service Broadband Initiative Program. On average, this program cost the taxpayer over \$1,000 per household. In the projects analyzed by the Navigant study, 85 percent of the households served already had access to broadband.

Unfortunately, rural broadband subsidization has been long mismanaged by the Rural Utility Service. A 2009 inspector general report found that just 2 percent of Federal broadband buildout funds provided between 2005 and 2008 went toward unserved communities. The same IG report found that funds were also going to areas that were not rural at all. In fact, 148 of the communities provided with subsidized broadband between 2005 and 2008 were within 30 miles of cities with at least 200,000 inhabitants. We continued to see this occur in the stimulus funding, where in my home State, Cook County, home of Chicago with a population of 2.79 million, and suburban Will County received funds.

Ensuring connectivity in rural America is a worthy endeavor that will bring much needed economic development to small communities around the country. But as we face budget shortfalls and a crippling debt, we cannot afford to subsidize duplicative broadband service to urban and suburban areas.

Now, during the stimulus debate when the bill was considered by the full Appropriations Committee, I raised concerns with the then chair of the Agriculture Subcommittee, ROSA DELAURO on this issue. I said it was a waste of money. I said that we should probably redirect the funds. I said that we should not support this legislation.

I was defeated in the House of Representatives and the stimulus bill was put forward. I even wrote a memo highlighting the waste in this rural broadband initiative.

Unfortunately now seeing—especially in Gallatin County, where we have now subsidized each recipient of unserved broadband services at a cost of \$7,112,422 per person—we have seen that the remarks that I made in opposition to this funding when I was a member of the House dramatically understated the waste to the U.S. taxpayer.

As we face a future of deficits and debt, we need to highlight the waste of the Rural Broadband Program, which

is why the July Silver Fleece award went to this program in Gallatin County, MT.

The PRESIDING OFFICER. The Senator from Montana.

CUT, CAP, AND BALANCE ACT

Mr. TESTER. Mr. President, you should see the folks back in Montana and across this country as they watch the news and read the papers, shaking their heads. I do not blame them. I am shaking my head too because we just wasted 2 precious days debating a plan that wipes out Medicare and Social Security, a plan that guts veterans' benefits.

Yes, that is exactly what the plan did. That is exactly why I opposed it. It is incredible to me that some folks have no problem turning their back on America's seniors and America's veterans while at the same time preserving tax loopholes that benefit millionaires and Big Oil and Wall Street and corporations that ship our jobs overseas. That is why Montana and folks across this country are shaking their heads. They do not think much of what is going on in Washington, DC, these days.

My friends in the House know full well this bill is no friend of the seniors and it is no friend of the veterans. They know full well it would force deep cuts in Medicare and Social Security. They know this all so very well. So you know what they did. What do career politicians do when they want people to believe their plan to cut Medicare somehow exempts Medicare? They add language saying "exempt Medicare." That is what they did. Montanans deserve better, and Americans deserve better.

Let's look at the whole truth. Let's first talk about the cuts that are in the cut, cap, and balance plan.

This plan locks in cuts proposed by the controversial House budget plan—otherwise known as the Ryan plan in the House—and it locks them in for a full decade. That means you are going to see more than \$111 billion in cuts this year alone. That is 10 percent. Will it be a 10-percent cut to veterans health care or highway or water infrastructure or education? They will not tell us how they plan to make those cuts. Maybe they will take a little less out of our veterans but at the expense of the police and firefighters. Maybe they will take a few less dollars out of agricultural research but then kick a few more kids out of Head Start.

Now let's talk about the "cap." The plan caps Federal spending at 18 percent of gross domestic product, requiring even further spending cuts. Now, 18 percent brings us to a level this country has not seen since 1966, about the same time Medicare was created. Even Ronald Reagan advocated for a higher rate than 18 percent.

Here is the kicker: The small print you will not hear from the people who already voted for this bill is that the

annual interest on our debt and the very things this bill claims to exempt—Medicare, Medicaid, Social Security, veterans' benefits—will cost more than what is allowed under the cap. That means there is to be nothing left to spend on any other program—nothing. That includes the military, our infrastructure, homeland security, and just about everything else. So how is that going to work so that this bill protects Social Security and Medicaid? It will not unless you invent your own math. What are the lawmakers going to do? Do they really intend to close down the Pentagon? I doubt it. But that means they are going to have to go back and cut Medicare and Social Security. Under this bill, it is their only choice. The numbers simply do not add up.

The fact is, we were wasting time even giving it daylight in the Senate, and it is exactly why the folks back home are shaking their heads. They expect us to get a job done responsibly, using common sense in a way that does not dismantle Medicare, Social Security, or hurt our veterans.

I look forward to debating a bipartisan plan to responsibly cut the debt and cut spending. There is one being worked on right now. But the bill the Senate just voted on was not responsible. The Senate rejected it, and rightfully so. Now we need to move to a bipartisan plan that comes out of the middle, not from the partisan extremes.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET

Mr. KYL. Mr. President, occasionally, political people say things they probably wish they hadn't said because they are quite foolish.

It is with great disappointment that I focus on something our President recently said. I do so not out of disrespect for him but because what was said is so fundamentally wrong that it deserves to be put out into the public for discussion and, frankly, to get some response from the President if he wishes to do that.

According to the National Journal, an article by Rebecca Kaplan, from July 21, the President said this:

I think what's absolutely true is that core commitments that we make to the most vulnerable have to be maintained. A lot of the spending cuts that we are making should be around areas like defense spending, as opposed to food stamps.

We are in a great debate about how we should figure out a way to end our deficit spending, get our debt under control. We have to raise the debt ceiling here in a few days. We have had a